

To: Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554
Attn: Eric J. Bash

From: Margaret M. Bondy
Date: October 13, 2001
Re: Comment on Cross-Ownership of Broadcast Stations and Newspapers

The FCC's Newspaper/Broadcast Cross-Ownership rule was established in 1975 in an effort to ensure (1) diversity of viewpoints and (2) economic competition. In the year 2001, these are two reasons why the Cross-Ownership rule should be abolished.

Diversity of Viewpoints

In 1975 the FCC was concerned that allowing companies to own more than one broadcast station in the same geographical location as that same company owned a newspaper, would create a very narrow viewpoint of news and information being conveyed.

In 1975 97% of all American homes had at least one television set. In addition to gathering around the TV for the evening news, American families generally took the morning or evening paper. These two separate sources were intended to combine to give a broad perspective on the news and information of the day.

During the 1960s and 1970s much of the country was limited to watching the three major networks almost exclusively, ABC, CBS and NBC. The networks would purchase time to broadcast their shows with local, affiliated stations. In larger urban areas, sometimes there would be additional independent stations (generally playing reruns of old network shows) and sometimes a public broadcast channel.

With the advent of cable, in the early to mid-1960s, that limitation began to change. Consumers were able to receive signals from channels in neighboring cities, and today, those systems have continued to improve cable and direct-satellite technologies and now receive TV signals from around the world. With the expanded cable comes expanded viewpoints. The number of broadcast networks has also expanded. Today we have television and cable channels such as CNN that provide around-the-clock news and information from around the world.

Television technology, certainly, is not the only improvement. When Microsoft formed in 1975, the thought that every desk and home should have a personal computer was thought to be something right out of Hollywood. However, the evolution of this radical idea has made technology not only a powerful tool, but something that as Americans we are hard-pressed to do without. The computer, and particularly the Internet, has become a way of life and a valuable source of information. A consumer can conduct a search online to discover information for practically anything he wants to learn. He can choose

a news website that is particularly conservative, liberal, or having another specialized view. In fact, it's now possible to view video on the Internet and to see and search television broadcasts using a computer. With the advent of the Internet and expanding broadcasting areas, there is seemingly an infinite number viewpoints being broadcast and printed.

As a result of these many innovations, today's world is a much smaller place. Americans are constantly inundated with news broadcast programs: local, national and international. Today's consumer is also able to select from a growing number of local and regional newspapers, and is no longer limited to just one or two local choices. Americans today are exposed to a much broader range of both news and information, whether from watching the 5 o'clock news, reading the local morning newspaper or USA Today, checking into CNN.com upon arriving at work, or getting breaking news updates sent directly to a pocket pager. On the table is a very diverse selection from which to choose, even more assorted than the FCC could have imagined back in 1975. For that reason, it appears that the cross-ownership rule is outdated and not particularly relevant any longer

Competition

The primary market for competition between broadcast and newspapers is advertising. Before television, the country's chief source of news was the newspaper. But during the 1950s the two major broadcast networks, NBC and CBS began competing with newspapers as the country's primary news source. They began to move away from the radio-based design and toward more magazine-format programs. Two early examples of this are the Today Show debuting in 1952 and the Tonight Show debuting in 1953.

With the expansion in the broadcast arena, including radio, television (public, cable and direct-satellite), and the Internet, readership of the traditional newspaper has decreased. At the same time, more independent and somewhat alternative newspapers have emerged. These typically are more localized even than a city's daily paper, sprouting up in the various suburbs or regions within the city, and generally presenting the news and information with a particular slant. No longer limited to just a choice of one or two publications, the readers can select a publication that most aligns with their own personal views, creating a sense of loyalty in the readers.

There has been an explosion in the diversity of programming provided by the expansion of the cable channels and the broadcast networks. There has also been an incredible upsurge in the amount of localized newspapers, whether daily, weekly or monthly. With these new and expanded industries has come a similar increase in competition that is spreading the advertising dollar further.

These new markets are causing newspaper companies and broadcast companies to re-think some of their old adages. It is causing them to "think outside of the box" to see what it will take to encourage companies to continue to advertise with them. In the same vein, with these broadened industries, advertising companies have more choices and can choose to narrow their focus.

There have been massive changes in the industries of broadcast and newspapers since the FCC instituted the cross-ownership rule. It is because of the substantial growth in technology and greater world awareness that diversity of viewing is no longer called into question. Further, these new and emerging mediums such as cable and direct-satellite television channels, localized community newspapers and perhaps most remarkably, the Internet, have created more places and more vehicles for advertising. With so many different slices of the proverbial pie to choose from, the competition for a piece is greater than ever. For these reasons, the FCC should seriously consider abolishing the rule that a company may not own more than one broadcast station in the same geographic location as that company owns a newspaper. The rule is outdated and should be eliminated.

Thank you.

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